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U.S. Locates Millions in Cult Funds

New York Times News Service

SAN FRANCISCO — The Justice Department has located more than \$10 million deposited by the Peoples Temple in banks in Panama and has taken steps to freeze the money, a government source said.

The funds, on deposit in several Panamanian branch offices of Swiss banks, are believed to represent the majority of the assets amassed by the temple's founder, the Rev. Jim Jones.

The government source said he was uncertain just how the Justice Department had learned of the deposits, but added, "when we found out about it, we started diplomatic contact" with the Panamanian government on keeping the deposits intact.

The United States seeks to recover about \$3.5 million in federal funds spent in the last month for the removal of the bodies of hundreds of Jones' followers from the cult's settlement at Jonestown, Guyana.

Noting that the United States had taken "steps" to freeze the deposits, the government source said, "That doesn't mean we can just run down there and get the money — there's probably going to be litigation in the Panamanian courts."

BUT HE SAID the United States had been assured that none of the temple members still alive could claim the assets until the legal question of ownership had been decided.

Correspondence found at Jonestown, in a suitcase containing several hundred thousand dollars in cash, bequeathed \$7 million to the Soviet Union. That correspondence reportedly mentioned accounts in the name of the Peoples Temple or its members at branches in Panama of the Swiss Bank Corp. (Overseas) S.A., the Swiss Banking Corp. and the Union Bank of Switzerland.

The Justice Department has been searching for the temple's funds almost from the day Jones and more

than 900 of his followers died, most of them apparently by suicide. The mass deaths came a few hours after Rep. Leo J. Ryan, D-Calif., and three newsmen reporting on his visit to the Guyana settlement were slain.

Other sources have said that the State Department had asked the Justice Department to attempt to locate and report on the cult's funds, which according to some former temple officials might total up to \$15 million.

The reason for the request, the sources said, was to determine whether sufficient funds would be available to compensate the United States for removing the bodies from Jonestown and transporting them to the Dover (Del.) Air Force Base.

LATE LAST MONTH, a federal grand jury here that is seeking evidence on several aspects of the temple's activities, including the possibility of a conspiracy to murder Ryan, began issuing subpoenas for the records of banks in several coun-

tries, including Canada, where the cult was known to have kept money.

Some of those banks are known to have been in Switzerland, and The New York Times last week quoted a government official as saying that some or all of the temple's accounts in Switzerland had been emptied.

A Justice Department spokesman said a former temple official, Terri Buford, and her lawyer, Mark Lane, reportedly had traveled to Switzerland to remove some of the funds from a Zurich bank.

Lane denied, however, that he or Buford, who has said she withdrew from the temple several months ago, had made such a trip or had withdrawn any money.

The lawyer said his client had told the U.S. attorney in San Francisco on Dec. 6 that most of \$7.5 million in temple assets with which she was familiar had been transferred from a bank or banks in Switzerland to branch offices in Panama.